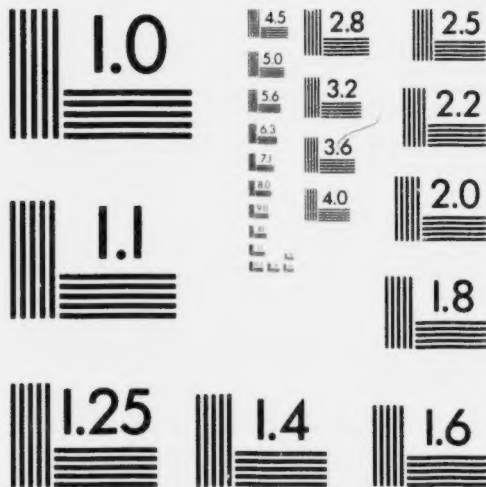


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A Letter to an English Friend

*From a MEMBER OF THE CANADIAN
MANUFACTURERS ASSOCIATION
PARTY TO ENGLAND, JUNE, 1905
WRITTEN AFTER THE RETURN TO CANADA*



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MY DEAR SIR:—

Your interest in the Canadian Manufacturers' Association trip to England this year was such that after hearing details of the visits and entertainments, you desired to hear some impressions and lessons resulting from the visit. Not being an officer of the Association I give personal opinions and impressions. I know other members of the party have like opinions.

His Majesty the King by his reception at Windsor the morning of our arrival in England and his gracious conduct toward our party made three hundred Canadians enthusiastic in their zeal to strengthen, if it were possible so to do, the thin red line of loyalty that makes so strong the bond of sentiment between our portion of the Empire and the Home Land.

We hope and trust it never will be broken or severed.

All members of the British Empire, whether at home or beyond the seas should know and feel that they are fellow citizens of the one Empire, and that they have ties of unity and interest which bind them together for mutual support, and this should be brought home to the nations outside our Empire so that competitors or opponents may understand that if they attack or injure, by commercial warfare or otherwise, any part of the Empire all the members thereof resent the injury and are united for defence and support.

The home-staying member of the Empire should realize that when some of his friends and relatives go beyond the seas it is his interest that they go to the outlying portions of our Empire and not to

foreign countries: that a man is valuable as a man and even as a commercial benefit to the Home Land ~~and~~ it is of importance that the energetic men seeking opportunities for improving themselves should remain within the limits of the Empire.

It has been admitted that the Canadians and Australians rendered valuable support to the Empire in South Africa. Every man going outside of the Empire becomes lost to us as a member thereof, or as a unit to be used in its defence. The only benefit the Empire gets from him is the trade and commerce caused by the expenditure of his earnings, and we know that in foreign countries efforts are made to keep this expenditure entirely within the limits of such countries and have as little as possible go to Great Britain.

United States writers state that every Canadian is worth per capita, in trade, to the Empire, fifteen or more citizens of the United States. In addition, Canadians claim that every emigrant who goes to a British possession remains a British subject, and though he may not return to fight for the defence of the Empire, yet if he will but carry on the work in such branch of the Empire he frees the service of some other member who will fight and take his position as an active defender of our country.

The Englishman who emigrates to a part of our Empire is also a benefit to the Home Land and is not a loss. The increase of expenditure in Canada by these emigrants over what they spent in England produces as profitable business to England as if they had remained at home, yet the burden of the education and support of their families is not put upon the ratepayers of England, but is paid by the colony.

An artisan leaving England does not mean that his work is lost to England; in nearly all cases his work can be done by another Englishman at home, who otherwise would be without employment and come upon the rates or be engaged in inferior work. From enquiries I made I was satisfied that every Englishman out of work costs at least 10 pounds to the country, and he emigrating not only relieves England of this expenditure but remains a consumer of English goods. I had the estimate given to me of some 5 pounds per head per annum, apply this to 500,000 men (Canada can absorb that number within a few years) it would give a relief to the English ratepayers of 5,000,000 pounds sterling per annum, and an increase of British trade of 2,500,000 pounds sterling per annum. At the same time these men would be producing grain and other products sufficient to feed many millions of the English population, keeping within our Empire large sums that now go to opponents.

The Canadian should recognize that to establish a trade connection in England he must make goods of good quality, of uniform grade, and sell them at the lowest possible profit. For example a fruit dealer must have his fruit done up in proper packages and uniform in quality from top to bottom. The pulp maker must make his pulp of the proper quality and have it always uniform in grade. There are paper mills in England that are prepared to take Canadian pulp and use large quantities, but they find sometimes a consignment that is not up to grade, the reason given was that the Canadian desires to have his mills make pulp to their utmost capacity, the result is the product is in quality inferior in

fibre to what would have been made if he had been content to make one or two tons less per day. He must realize that the lower price he gets for the larger quantity does not give him as good a return as the higher price for the smaller quantity gives.

The Canadians learnt from the visits to the docks at London, Tilbury, Woolwich and Liverpool and the trip to Newcastle-on-Tyne, something of what is meant by the policing the commerce of the seas, and as Canadian commerce increases we must recognize that we are required to take up our share of this burden: there is no desire on our part to evade the responsibility thereof.

A great portion of the defence of the Empire is connected with food production and the capability of feeding our people by the products of our Empire. We Canadians have bent our energies in this direction believing that within a few years from now we will be able to produce within our boundaries all the food required by citizens of the Home Land. That food will require police protection on the seas, and we will be ready to bear the cost of such protection.

Our branch of the Empire is growing so rapidly that it taxes all our energies to keep to the front, and we feel that it is a duty to the Empire not to fall behind. We intend to rank as one of the big nations in this world.

Canada, possessing the magnetic north pole, directs the traffic of the seas, and she must, as her wealth and population increases, take more and more the owning and protection of ocean commerce.

We also feel that by taking up the maintenance of naval and military stations in Canada, which until recently have been supported by England, we are taking a part of the burden and we will gradually take more.

The trip was non-political, that is in regard to the politics of the Mother Land, but there was a practical object to the trip so far as foreign countries were concerned, and the Canadians were ready to be used in connection therewith. The grand and cordial welcome they received, from the King at Windsor to the working girls at Walsall, was such as will never be forgotten by them. They found the Englishmen open-hearted and anxious to do all in their power to make the trip enjoyable to their Canadian brethren. The so-called reserve of Englishmen is a wish to know if you are entitled to their friendship; if they determine you are you get it, not for an hour but for all time.

The Canadians feel that the magnificent reception given to them at Windsor, so highly appreciated by them, conveyed to Englishmen the idea that the King regarded the colonies as an important part of the Empire and to the competitors of the British Empire the fact that in dealing with England the loyalty and power of the outlying portions of the Empire has to be considered.

The addition of the visit to France to the original programme, strengthens this last idea and also shows to other countries that the feeling of friendliness between France and England is not confined to the two countries in Europe, but covers and embraces the Empire beyond the seas.

While we Canadians do not wish to interfere in Home politics, we have had facts and experiences which are useful in the discussion which has commenced and which is likely to continue for some time in regard to commercial matters in England. If the business men of England were to unite on a policy that would be to the interest of the manufacturers and traders of England and of the Empire both political parties would soon learn that as far as trade interests were concerned the same policy must be pursued whatever party nominally is in power. Personally, I was a believer in the theory of free trade, but the situation of Canada alongside of the United States and facts that have come before me in my profession prove to me that the theories of free trade are not always supported by the facts of business.

Some time ago Great Britain stood at a distance from all her competitors. The time taken in forwarding letters and goods made the country stand alone. She had no neighbour in the situation that Canada has had.

The introduction of quick transit by means of steam both on land and water, the use of the telegraph and telephone whereby orders are given from one man at Manchester to factories at Birmingham, France, Germany and the United States, have made these factories next door neighbours. A gentleman in Manchester stated to me that the German manufacturer was practically as near to him as the Birmingham manufacturer. The German manufacturer can send his goods to England without duty, while he keeps for himself his home market by a heavy duty on English

goods. Is this fair to the English manufacturers and workmen?

By a low price, for a time, the foreign manufacturer kills off the English competition, then he raises his price and makes the English consumer pay high for the low price he had for a time. We had our experience in Canada and learnt this fact at a high cost.

I heard often that cheap food had to be had for the English artisan. What benefit is cheap food to the English artisan if the employment which would enable him to buy that food is not given to him, but is given to his foreign competitor? We Canadians think that without any increase being made in the cost of the food of the English artisan there are many ways in which he can be given employment and trade so that he may buy the food which we are told he can not now buy for want of work to earn the means to buy it. For example, the price of pianos, drugs, sewing machines, razors, etc., does not affect the price of food, yet we found that an immense amount of money was being sent out of England for these articles made by foreigners. We believe they can be made as cheaply in England and sold at as low rates, quality considered, as are now paid for foreign goods, at the same time giving employment to large numbers of workmen and so enable them to buy the food that they cannot now buy. Is it not cheaper and also better for the stamina of the nation to provide work and by it food than to give the food as a charity?

I saw one drug shop, where a large proportion of the goods for sale were of a foreign make, many

packages had on them the names of United States makers, and the labels showed that they were made in the United States. The same goods are sold in Canada, manufactured in Canada, by the same company. A very slight duty would cause this manufacturer to establish factories in England. The goods would be sold in England as cheap as they are to-day, but a large number of hands would be employed in the manufacture, wrapping and handling of the goods.

A Canadian asked in a shop in a city in England for a particular make of razor made in that town and could not find it. The shop keeper had only razors made in Germany. Why should English money be sent to Germany for razors when they could be manufactured by English labor?

One paper manufacturer who sells his paper to newspapers informed me that if he had only 10 duty on his goods he would double his mills and sell his paper cheaper than he now sells it at. He wishes to increase the capacity of his works but is afraid to do so because at any moment an excess of goods from foreign manufacturers may be sent into his market and his mills kept idle for two or three months. Why should not Englishmen have this work to buy food with? It would not increase the price of the food. Our Canadian experience has been on these lines.

I had a brief some time ago in a law suit in Canada in which the question of cost of watch cases was raised. The senior counsel was a Liberal member of Parliament, subsequently a judge. It was proved to him that under a tariff of 35 the watch cases were made and sold to

Canadians at a lower price than they had been sold under a so-called revenue tariff of $17\frac{1}{2}$. and after this was proved to him he did not make a free trade speech in the House. The common claim is that the manufacturer adds to his cost the duty and keeps the price just below the foreign price. This assumes that there is only one manufacturer or that there is no competition between the manufacturers. We find that internal competition between manufacturers is sufficient to make them content with a fair profit and the consumer gets the benefit of the competition.

We Canadians do not ask Englishmen to lay a burden upon themselves for the benefit of the colonies. We think that a change can be and that one will soon be made in the English tariff, and we suggest that when such change is made the position of all parts of the Empire be taken into consideration, and if a revenue can be had by a tax on goods made by our competitors that it is better to tax competitors' goods than it is to tax goods made in the Empire.

We Canadians believe we are turning trade to the English manufacturers and merchants when we encourage other portions of the Empire to deal with Canada.

Some years ago Canada imported over 60 of her raw sugar from Germany and under $2\frac{1}{2}$ from the British West India Islands and British Guiana. When Canada gave Great Britain a preference in her tariff Germany asked for a like preference under threat of putting Canada on the maximum tariff list, and would not listen to the Canadian argument that Great Britain was a portion of the Empire to which Canada belonged and

so entitled to a preference from Canada. She carried out her threat: then Canada put a surtax on German goods and also raised the duty on raw sugar. The result has been that while the imports of sugar into Canada have increased those of German sugar have been reduced to the vanishing point and those of sugar from the British West India Islands and Guiana has risen to over 25% of the increased imports. The West India Island plantations are largely owned by Englishmen; they buy English goods and we believe that when we send our money for this sugar and this money is spent in England it is as good for England as if we bought goods in England. We believe that all parts of the Empire should be strong, that a union of strong units makes a strong empire and that simply keeping one portion of the Empire strong by gathering to it all the strength of the outlying portion makes a weak union.

We Canadians were also surprised at the quantity of land out of cultivation in England, and would like to know the reason for it. Is it because the land is worn out or because it cannot be properly cultivated in competition with the products of foreign countries? It could furnish an immense amount of pasturage, yet we find that the English stock raiser is protected as against the English stock feeder. It is not called a protection and is called guarding against disease. The result, however, is a protection.

From conversations with Englishmen who were of avowed Liberal and free trade tendencies, I found among them that there was a feeling that there must be some change in the fiscal policy of England. The lunch given to the Canadian Manu-

facturers by the 80 Club at the Cecil Hotel, where speeches were made disclaiming any political tendency, appeared to us Canadians as a Liberal bid for Colonial support.

I am satisfied that all parties in England look for some change soon; what that change will be is for you English people to decide, and to help you decide that question Canadians wish you to carefully look into the facts and the experiences had by us in Canada and, if you wish, make use of them for your benefit.

I found among some manufacturers and laborers an objection to a fair trade policy on the ground that it might tend in some way to benefit landlords. Supposing that a change in policy would benefit the country and the landlord would get some share of it. Is not a strong country to be made only by having all members strong, so why should not all parties partake of the benefits that accrue to the country, and because one section called landlords would get a portion of the benefit, why should the rest of the community be deprived of their much larger portion. It appears to me peculiar that the whole of the benefit should go to foreign workmen and manufacturers competing with English workmen and manufacturer, these competitors being ready to take the business even though the landlords of their country may get a part of it. The English landlord, if he got a share, would spend it in England while now it all goes out of the country.

I found in many of the cities extensive building operations and improvements going on and at the

same time was told that in some sections there was a very large mass of the labor element almost on the verge of starvation.

We think the manufacturer of the many articles that are now imported into England, and which do not enter into the cost of the food or living of the average laboring man, would give employment to many of these men now out of work and tend also to raise the pay of those employed.

We Canadians are satisfied from the result of our experience that tariff changes can be made that will increase the business of our friends, will cause our competitors to come in our country to manufacture and so give work for our workmen and yet our consumers pay no more; at the same time our Canadian manufacturers including the new comers, retain a firmer and steadier business and one evenly distributed throughout the whole year and not subject at times to the interference caused by a surplus of manufactured goods coming from foreign countries to the injury of our workmen and manufacturers.

Our Canadian policy of forcing the foreigner to manufacture in Canada has resulted in over 120 United States manufacturers starting branches in Canada with a capital of some five or six million pounds sterling, and we pay no more for our goods.

We Canadians have proven to ourselves that without raising the cost of food and necessary clothing we can give employment to many artisans who otherwise would have had to leave the country or be unemployed. What we have done we say Englishmen can do as well if not better, and there are more men to give employment to, why not

study how we did it. If our way gives the employment and yours does not, why not try our way for a time at least.

I think that such a policy tends to freer trade, that a combination, say of England and her colonies, United States and Japan, with a preference between them and a higher tariff to the rest of the world would soon rule and control the commerce of the world and so bring about a position that would satisfy both the free traders and those who seek to encourage the manufactures of their own country. Could not the beginning of such combination or treaty be had in naval matters? Personal property is, in case of war, respected on land. Why should not a treaty, say by Great Britain, United States and Japan be made, that while each might fight for itself that certain articles should be contraband of war and all other articles even carried by vessels of a country at war should pass freely this agreement for policing or protecting the commerce of the sea (leave this treaty open so that any other countries could join therein) would soon result in the commerce of the world being free and battleships would only be required for fighting purposes.

Canadians feel strongly that a great producing nation is better than a nation of mere traders or exchangers of goods.

The Canadians also feel that if one-twentieth of the emigrants and of the money that had gone to assist the industries of foreign countries within the past fifty years had been sent to Canada and the other British colonies that the British Empire would by this time have attained a strength that would have made it invincible.

Some Englishmen speak about the growth of the United States. The United States has an extent of land, a variety of products, and a population that in Europe would make several different countries, with customs tariffs between them. The States can grow within their limits every thing required by their needs. They have the protection of the Atlantic Ocean on the one side, and the Pacific on the other, and in addition thereto have adopted a policy of protecting their manufacturers and workmen and excluding manufactured goods that come into competition.

I think the United States are an example of free trade between several countries with a united tariff against the rest of the world.

Why should not Great Britain and her colonies follow that example by a union for trade purposes looking to a large increase of trade between us but united against all parts of the world that will not give us the same as they ask from us.

The nineteenth century was the United States century. They began with an immense area of land open for cultivation and have rapidly filled it up. The twentieth century is the Canadian century. It may surprise many to learn that even during the last century the proportionate growth of population and wealth in Canada was greater than that in the United States. Our increase of population is in proportion greater than that of the United States at the present time. We have a great extent of land open for settlement and cultivation, the United States are near the limit of their land.

Canada has in the last few years adopted a policy akin to that of the United States of pro-

protecting her industries, and her increase of wealth has been great since she fairly inaugurated that system. Canadians have the experience of the United States before them; they seek to benefit by that experience and to bring into the prosperity, that is and will continue with them, the other portions of the United Empire of Great Britain and her colonies.

A union, by commercial tariffs, of Great Britain and all her colonies will have a more varied variety of products than can be produced in the United States, and will have larger areas of land to fill.

The Canadian century will give the United Empire of Great Britain and her daughter colonies a growth of population and wealth many times greater than the United States has had during its century.

Toronto, Canada,

JAS. R. ROAF.

15th September, 1905.



